

SENATE BILL REPORT

SB 5724

As of February 6, 2007

Title: An act relating to designating a survivor beneficiary in public pension systems.

Brief Description: Providing for designating a survivor beneficiary in public pension systems.

Sponsors: Senators Prentice, Murray, Berkey, Weinstein, Kohl-Welles, Kauffman, Oemig, Kline, Regala, Eide, Hobbs, Poulsen, Pridemore, Jacobsen, Shin, Franklin, Rockefeller, Fraser and Rasmussen.

Brief History:

Committee Activity: Ways & Means: 2/06/07.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Erik Sund (786-7454)

Background: The state administers a number of pension systems that provide retirement benefits for state and local government employees. These systems include the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), School Employees' Retirement System (SERS), the Public Safety Employees' Retirement System (PSERS), the Judicial Retirement System (JRS), the Washington State Patrol Retirement System (WSPRS), the Law Enforcement Officers' & Fire Fighters' Retirement System (LEOFF), and the Volunteer Fire Fighters' and Reserve Officers' Relief and Pension System (VFFRORPS). In addition, the state institutions of higher education provide some employees access to retirement benefits through third parties.

The spouse of a member of one of the various state administered retirement plans is eligible for certain benefits in the event of the death of the member. The specifics vary from plan to plan; however, eligible spouses of members who die prior to retirement generally receive at least a refund of the members' contributions. If the member was eligible for retirement, then the spouse will typically receive a retirement allowance that is actuarially reduced to reflect a joint survivor benefit option and early retirement, if applicable. LEOFF and WSPRS provide enhanced retirement benefits for spouses of members who die in the line of duty. If the member retired prior to the time of death, then an eligible spouse will in most plans only be eligible to continue to receive a retirement allowance if the member opted for a joint survivor benefit at the time of retirement.

A member of a state retirement system other than VFFROPRS, JRS, or Plan 1 of WSPRS may designate a person other than a spouse as the recipient for his or her joint survivor benefit or refund of contributions by making a written application to the Department of Retirement

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Systems. If the member is married, then he or she must provide the written consent of his or her spouse in order to make such a designation for any benefit, or to decline a joint survivor benefit option.

If a member dies as a result of an injury sustained in the course of employment, there is an additional lump sum \$150,000 death benefit in most of the state retirement systems. This lump sum benefit is payable to any person or persons that is nominated by the member in writing. If no beneficiary designation has been made then the benefit is payable to the member's spouse, or the member is unmarried, to his or her legal representatives.

Summary of Bill: Domestic partner is defined as one of two unmarried, mentally competent adults in a close personal relationship in which the partners: (1) are responsible for each other's common welfare; (2) share the same regular and permanent residence; (3) agree that they are jointly responsible for basic living expenses such as food and housing; and (4) are not related by blood closer than would bar marriage in Washington.

If a member of a state retirement system other than the WSPRS dies before retiring, his or her domestic partner is eligible a refund of the member's retirement system contributions or a retirement allowance, as applicable. A member need not designate his or her domestic partner as the beneficiary for this purpose.

Eligibility criteria for the \$150,000 lump sum death benefit are unchanged.

Appropriation: None.

Fiscal Note: Requested on January 29, 2007.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.